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**Part 4A1 General Information****Section 4A1.1-1 Overview**

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**A. Introduction**

This chapter describes the procedures to be followed by a Federal agency when it requests the Office of Personnel Management (OPM) to recover a debt owed to the United States by administrative or judgment offset against money due and payable from the debtor from the Civil Service Retirement and Disability Fund (the Fund). It also describes the procedures that OPM must follow to make these administrative offsets.

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**B. Topics Covered**

This chapter covers:

- Creditor agency procedures when requesting OPM to recover non-fraud debt claims;
  - OPM processing of incomplete and complete debt claims involving refunds and annuities; and
  - Special processing procedures for fraud claims.
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**C. Organization of Chapter**

This chapter has two parts.

Part	Name of Part	Page
4A1	General Information	1
4A2	Agency Requests to OPM for Recovery of a Debt From the Retirement Fund	4

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**D. Statement of Authority**

This chapter and its contents are based on the laws and regulations cited below.

- United States Code: 31 U.S.C. 3716, 5 U.S.C. 5514, 5 U.S.C. 8347, 5 U.S.C. 8461 and Section 124 of P.L. 97-276, 96 Stat. 1195-1196
  - Code of Federal Regulations: 5 CFR Part 831, Subparts M and R; 5 CFR Part 845
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**Section 4A1.1-2 Definitions**

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<b>A. Administrative Offset</b>	"Administrative offset" means withholding money payable from the Fund to satisfy a debt to the United States as authorized under the provisions of 31 U.S.C. 3716.
<b>B. Agency</b>	<p>"Agency" means:</p> <ol style="list-style-type: none"> <li>1. An Executive agency as defined in 5 U.S.C. 105, including the U.S. Postal Service and the U.S. Postal Rate Commission;</li> <li>2. A military department, as defined in 5 U.S.C. 102;</li> <li>3. An agency or court in the judicial branch, including a court as defined in the 28 U.S.C. 610, the District Court for the Northern Mariana Islands, and the Judicial Panel on Multidistrict Litigation;</li> <li>4. An agency of the legislative branch, including the U.S. Senate and the U.S. House of Representatives; and</li> <li>5. Other independent establishments that are entities of the Federal government.</li> </ol>
<b>C. Creditor Agency</b>	"Creditor agency" means the agency to which the debt is owed.
<b>D. Debt Claim</b>	"Debt claim" means an agency request for recovery of debt in a form approved by OPM.
<b>E. Debtor</b>	"Debtor" means a person who owes a debt, including an employee, former employee, Member, former member, or the survivor of one of these individuals.
<b>F. FCCS</b>	"FCCS" means the Federal Claims Collection Standards (Chapter II of Title 4, Code of Federal Regulations).
<b>G. Fraud Claim</b>	"Fraud claim" means any debt designated by the Attorney General or designee as involving an indication of fraud, the presentation of a false claim, or misrepresentation on the part of any other party having an interest in the claim.
<b>H. Net Annuity</b>	"Net annuity" means annuity after excluding amounts required by law to be deducted. For example, Federal income tax is excluded up to the maximum amount that the individual is entitled to for all dependents.

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**Section 4A1.1-2 Definitions (Cont.)**

<b>H. Net Annuity (Cont.)</b>	Other examples of exclusions are group health insurance premiums, including amounts deducted for Medicare, and group life insurance premiums.
<b>I. Offset</b>	"Offset" means to withhold the amount of a debt, or a portion of that amount, from one or more payments due the debtor. Offset also means the amount withheld in this manner.
<b>J. Paying Agency</b>	"Paying agency" means the agency that employs the debtor and/or authorizes the disbursement of his or her current pay or benefits.
<b>K. Waiver</b>	"Waiver" is a decision by OPM not to recover a debt owed to the retirement fund as authorized by 5 U.S.C. 8345(b) and 5 CFR 831.1401 et seq. or 5 U.S.C. 8470 and 5 CFR 845.301 et seq.

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**Part 4A2 Agency Requests to OPM for Recovery of a Debt From the Retirement Fund**  
**Subpart 4A2.1 General****Section 4A2.1-1 General**

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**A. Purpose**

This part describes the procedures to be followed by a Federal agency when it requests OPM to recover a debt owed to the United States by administrative or judgment offset against money due and payable to the debtor from the Fund.

**B. Limitation on Collection**

Generally, debts may be collected from retirement benefits only to the extent expressly authorized by Federal statutes. As an agency of the Federal Government, OPM will collect claims such as:

1. Debts due other Federal agencies, as authorized by 31 U.S.C. 3716;
2. Debts, penalties, and interest due because of a court judgment obtained by the Department of Justice or its designee, as authorized by Public Law 97-276, 96 Stat. 1195-1196; and
3. Alimony or child support, as authorized by 42 U.S.C. 659. (See discussion in Chapter 5.)

**NOTE:** Unliquidated unearned (advanced) annual and sick leave does not constitute a valid indebtedness when the employee is separated by death or retirement for disability, or when the employee is unable to return to duty because of disability evidenced by an acceptable medical certificate. Requests for collection of such debts should not be sent to OPM.

**C. Limitations on OPM Review**

OPM reviews an agency's certification of due process required by 4 CFR 102.4(b). However, all due process procedures and protests of creditor agency collection actions **must** be handled by the creditor agency. If debtors have a dispute with the creditor agency concerning the amount or validity of the debt or the terms of the collection schedule, they must resolve the dispute directly with the agency. If the creditor agency's request for offset meets all requirements, OPM makes the offset even though the debtor is protesting the collection. The creditor agency should make it clear to the debtor that OPM is only making the collection at the agency's request and give the debtor an agency contact and address for any questions about the debt or the installment schedule.

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Section 4A2.1-1 General (Cont.)**C. Limitations on  
OPM Review  
(Cont.)**

OPM does not have the authority to review:

- The adequacy of the due process procedures that have been provided to a debtor;
- The merits of a creditor agency's decision with regard to reconsideration, compromise, or waiver, or
- The creditor agency's decision that a hearing was not required in any particular proceeding.

OPM merely implements the collection decisions made by the creditor agency. OPM's acceptance of an agency's certification, if it is valid on its face, does not provide the debtor with a second opportunity for review of the merits of the agency's claim.

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**D. Conditions for  
Requesting an  
Offset**

An agency may request that money payable from the Fund be offset to recover any valid debt due the United States when all of the following conditions are met:

1. The debtor failed to pay all of the debt on demand, or the creditor agency has collected as much as possible from payments due the debtor from the paying agency; and
  2. The creditor agency sends a debt claim to OPM (see section 4A2.2-2, paragraphs A through D, as appropriate) after doing one of the following:
    - Obtaining a court judgment for the amount of the debt and following the procedures prescribed by the U.S. Department of Justice for judgment offsets;
    - Following the procedures required by 31 U.S.C. 3716 and 4 CFR 102.4; or
    - Following the procedures agreed upon by the creditor agency and OPM, if the creditor agency is pursuing a debt described in section 4A2.2-2, paragraph D.
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**E. Standard Form  
(SF) 2805**

Unless the agency or the type of claim has been specifically excepted by OPM, an agency's debt claim must be filed on SF 2805, Request for Recovery of a Debt Due the United States.

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**Subpart 4A2.2 Creditor Agency Procedures for Non-Fraud Claims****Section 4A2.2-1 Where to Submit the Debt Claim, Judgment, or Notice of Debt**

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| <b>A. Creditor Agencies that Are Not Debtor's Paying Agency</b> | <p>If the creditor agency knows that the debtor is employed by the Federal Government, it should send the debt claim to the debtor's paying agency for collection by salary offset as provided under 5 U.S.C. 5514.</p> <p>If some of the debt is unpaid after the debtor separates from the paying agency, the creditor agency may send the debt claim to OPM for collection under 31 U.S.C. 3716, as described in section 4A2.2-2 below.</p> |
| <b>B. Creditor Agencies that Are Debtor's Paying Agency</b>     | <p>Ordinarily, debts owed to the debtor's paying agency should be offset under the authority of 31 U.S.C. 3716 from any final payments (salary, accrued annual leave, etc.) due the debtor. If a balance is due after offsetting the final payments or the debt is discovered after the debtor has been paid, the paying agency may send a debt claim to OPM as described in section 4A2.2-2 below.</p>  |
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**Section 4A2.2-2 Procedures for Submitting a Debt Claim,  
Judgment, or Notice of Debt to OPM**


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| <b>A. Debt Claims for Which the Agency Has a Court Judgment</b>  | <p>If the creditor agency has a court judgment against the debtor specifying the amount of the debt to be recovered, the agency or the Department of Justice should send an SF 2805 and two certified copies of the judgment to OPM for recovery.</p>   |
| <b>B. Debt Claims Previously Processed Under 5 U.S.C. 5514</b>   | <p>If the creditor agency has been collecting the debt under 5 U.S.C. 5514, it must:</p> <ol style="list-style-type: none"> <li>1. Notify the debtor that the claim is being sent to OPM to <b>complete</b> collection of the debt by offsetting benefits payable from the Fund; and</li> <li>2. Send SF 2805 to OPM with two copies of the paying agency's certification of the amount collected and one copy of the notice to the debtor explaining that the claim was sent to OPM to complete the collection.</li> </ol>   |
| <b>C. Debt Claims Not Being Processed as a Judgment Offset, a Continuation of a Previously Established Salary Offset, or a Claim Excepted by Paragraph D</b> | <ol style="list-style-type: none"> <li>1. If the debt claim is not a judgment offset, a continuation of a collection previously established as a salary offset, or a claim excepted by paragraph D (below), the creditor agency must: <ul style="list-style-type: none"> <li>• Issue a written notice to the debtor explaining the nature and amount of the debt, the agency's intention to collect by administrative offset from the debtor's retirement benefits, the opportunity to inspect and copy agency records pertaining to the debt, the opportunity to obtain a review within the creditor agency of the determination of indebtedness, and the opportunity to enter into a written agreement with the creditor agency to repay the debt (see 4 CFR 102.4); and</li> <li>• Complete SF 2805, Request for Recovery of a Debt Due the United States.</li> </ul> </li> <li>2. If the debtor does not respond to the creditor agency's notice within the allotted time and there is no reason to believe that he or she did not receive the notice, the creditor agency may submit SF 2805 to OPM after certifying that notice was issued and the debtor failed to reply.</li> </ol> |

**Section 4A2.2-2 Procedures for Submitting a Debt Claim,  
Judgment, or Notice of Debt to OPM (Cont.)**

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| <p><b>C. Debt Claims Not Being Processed as a Judgment Offset, a Continuation of a Previously Established Salary Offset, or a Claim Excepted by Paragraph D (Cont.)</b></p> | <ol style="list-style-type: none"> <li>3. If the debtor responds to the notice by requesting a review or hearing, if one is available, the review or hearing must be completed before the creditor agency submits SF 2805. The creditor agency must show on the SF 2805, the date the review or hearing ended in a decision for the agency.</li> <li>4. If the debtor receives the notice and responds by consenting to the collection, the creditor agency must send a copy of the debtor's consent along with the SF 2805.</li> </ol>   |
| <p><b>D. Debt Claims Excepted from Procedures Described in Paragraph C</b></p>  | <hr/> <p>Certain creditor agencies follow specific procedures approved by OPM, rather than those described in paragraph C, for the collection of:</p> <ol style="list-style-type: none"> <li>1. Debts due because of the individual's failure to pay health benefits premiums while he or she was in nonpay status or while his or her salary was not sufficient to cover the cost of premiums (see section 4A2.2-3 below);</li> <li>2. Unpaid Federal taxes to be collected by Internal Revenue Service levy;</li> <li>3. Premiums due because of the annuitant's election of Medicare Part B coverage (retroactive collection is limited to 6 months of premiums); or</li> <li>4. Overpayments that occur as a result of a delay in terminating the retiree's military retired pay when he or she elects in writing to have it withheld from his or her annuity.</li> </ol> <hr/> |
| <p><b>E. General Certification Requirements for Claims Against Retirement Benefits</b></p>  | <hr/> <p>Creditor agencies submitting claims must certify:</p> <ol style="list-style-type: none"> <li>1. That the debt is owed to the United States;</li> <li>2. The amount and reason for the debt and whether additional interest accrues;</li> <li>3. The date the Government's right to collect the debt first accrued;</li> </ol>  |

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**Section 4A2.2-2 Procedures for Submitting a Debt Claim,  
Judgment, or Notice of Debt to OPM (Cont.)**
**E. General  
Certification  
Requirements for  
Claims Against  
Retirement  
Benefits (Cont.)**

4. That the agency has complied with the applicable statutes, regulations, and OPM procedures;
5. A specific dollar amount or specific percentage of net annuity for collections that must be completed in installments;
6. If the debtor consents to the collection from the Fund or acknowledges the debt in writing, a copy of the debtor's written consent or acknowledgement. If there is no written consent or acknowledgement, the creditor agency must certify the date of the initial demand letter and the actions taken to comply with the due process requirements of 4 CFR 102.3 --
  - Show the date of the **initial notice** of the collection, **and** the date(s) of any additional applicable actions, such as (1) the date the debtor's failure to respond to the initial notice allowed the creditor agency to assume consent to the collection, **or** (2) if the debtor did respond, the date the debtor requested review of the debt, **and** the date the review or hearing--if applicable--was held, **and** the date the review or hearing was decided in favor of the creditor agency; and
7. That if a competent administrative or judicial authority issues an order directing OPM to pay a debtor an amount previously paid to the agency (regardless of the reasons behind the order), the agency will reimburse OPM or pay the debtor directly within 15 days of the date of the order.

NOTE: If an agency does not make the required reimbursement when requested, OPM may decline to collect other claims for that agency.

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**F. Notice of Debt in  
Lieu of SF 2805**

When a creditor agency cannot send an SF 2805, it should notify OPM of the existence of the debt so a refund will not be paid before the claim arrives. OPM **will not** withhold payment of monthly annuity or retroactive accrued annuity unless the agency and the debtor have concluded specific negotiations concerning the payment of such benefits and OPM is given specific direction concerning the terms of such an agreement. Otherwise, collections will only be made against prospective annuity payments.

**Section 4A2.2-2 Procedures for Submitting a Debt Claim,  
Judgment, or Notice of Debt to OPM (Cont.)****F. Notice of Debt in  
Lieu of SF 2805  
(Cont.)**

1. The notice to OPM must include a statement that the debt is owed to the United States, the date the debt first accrued, and the basis for and amount of the debt, if known. If the amount of the debt is not known, the agency must establish the amount and notify OPM in writing as soon as possible after submitting the notice.
  2. The creditor agency may notify OPM by making a notation in column 8 (Remarks) under the "Fiscal Record" portion of the Individual Retirement Record (SF 2806 or SF 3100), if the SF 2806/SF 3100 is in its possession, or if not, by submitting a separate document identifying the debtor by name, giving his or her date of birth, Social Security number, and date of separation, if known.
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**Section 4A2.2-3 Procedures for Recovering Health Benefits Premiums**

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**A. General**

Agencies may recover past-due health benefits premiums from separated employees by requesting OPM to withhold the premium amount from any payments due the former employee, including refunds due employees who have separated and annuities due employees who have retired.

The agency must submit OPM Form 1522 to request an offset for past-due health benefits premiums from any amounts to be paid to a separated employee from the retirement system. (SF 2805 will not be accepted.) In addition, the SF 2806 or SF 3100 should be noted when forwarded to OPM to show that the separating employee is indebted.

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**Section 4A2.2-4 Time Limits for Sending Records and Debt Claims to OPM**

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**A. Time Limits for Submitting Debt Claims**

1. Unless there is an application for a refund pending, there is no specific time for submitting a debt claim or notice of debt to OPM. Generally, however, agencies must file a debt claim before the statute of limitations expires (4 CFR 102.4(c)) or before a refund is paid.
2. Time limits are imposed when the debtor is eligible for a refund and OPM receives his or her application requesting payment (see section 4A2.3-1). Creditor agencies must file SF 2805 or other claim within 120 days -- 180 days if the agency requests an extension of time before the refund is paid -- of the date OPM requests a complete debt claim.

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**B. Time Limit for Submitting Retirement Records to OPM**

1. Generally, a paying agency must send an individual's SF 2806 or SF 3100 to OPM no later than 30 days after the separation, termination, or entrance on duty in a position in which the employee is not covered by CSRS or FERS.
  2. If the agency's claim is based on circumstances that indicate fraud (such as presentation of a false claim or misrepresentation by the debtor or some other party having an interest in the claim) and require the claim to be submitted to the Department of Justice, the agency may have an additional 30 days -- a total of 60 days -- to submit the record to OPM. In the latter case, the agency must notify OPM that the case is under consideration by the Department of Justice.
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**Subpart 4A2.3 OPM Processing for Non-Fraud Claims****Section 4A2.3-1 Refunds--Incomplete Debt Claims**

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|---|---|
| <b>A. General</b>                                     | If a creditor agency sends OPM a notice of debt or an incomplete debt claim against a refund OPM is processing for payment, OPM will withhold the amount of the debt but will not make any payment to the creditor agency. OPM will notify the creditor agency that the procedures described in this part and 4 CFR 102.4 must be completed and a properly completed SF 2805 submitted to OPM by a specified date.  |
| <b>B. Time Limits for Filing Completed Debt Claim</b> | Generally, a debt claim must be completed and returned to OPM within 120 days of the date of OPM's notice to the creditor agency. However, upon request, OPM will grant the creditor agency one extension of up to 60 days if the request for extension is received before the lump-sum payment has been made. The extension will commence on the day after the 120-day period expires so that the total time OPM holds payment of the refund will not exceed 180 days.   |
| <b>C. OPM Action on Refund Application</b>            | <p>During the period allotted a creditor agency for sending OPM an SF 2806 or SF 3100, OPM will do the following:</p> <ol style="list-style-type: none"><li>1. If the amount of the debt is known, OPM will notify the debtor of the claim against his or her lump-sum credit, withhold the amount of the debt, and pay the balance to the debtor, if any.</li><li>2. If the amount of the debt is not known, OPM will not pay the debtor until the creditor agency certifies the amount of the debt, submits an SF 2805, or the time limit for submission of the claim expires, whichever comes first.</li></ol> |
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**Section 4A2.3-2 Refunds--Complete Debt Claims**

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**A. If OPM Receives Application from Debtor Prior to or at Same Time as Agency's Claim**

1. If a refund has been paid, OPM will notify the creditor agency there are no funds available for offset. Except in the case of debts due because of the employee's failure to pay health benefits premiums while he or she is in nonpay status or while his or her salary was not sufficient to cover the cost of premiums, creditor agencies should refer to the instructions in the FCCS for other measures to recover the outstanding debt; however, OPM will retain the SF 2805 on file in the event the debtor is once again employed in a position subject to retirement deductions.
2. If a refund is payable, and the creditor agency submits a claim in accordance with section 4A2.2-2, paragraphs A through D, the debt will be collected from the refund and any balance paid to the debtor. OPM will send the debtor a copy of the agency's claim, judgment, his or her written consent, or other document, and notify him or her that the creditor agency was paid.

**B. If OPM Has Not Received Application from Debtor When the Agency's Debt Claim is Received**

If a debtor has not filed application for a refund, OPM will file the claim for future recovery. OPM will make the collection whenever an application is received, provided the creditor agency initiated the administrative offset before the statute of limitations expired. [See 4 CFR 102.3(b)(3) and 102.4(c).] OPM will notify the creditor agency that it has filed the claim for future recovery because we do not have an application from the debtor. The agency may take other actions to recover the debt in the interim.

**NOTE:** If the other recovery action is successful, the creditor agency must notify OPM so it can void the debt claim.

**C. Future Recovery**

1. If OPM receives an application for a refund within 1 year of the date the agency's claim was received and the creditor agency does not indicate that interest is accruing on the debt, the debt will be processed as stated in paragraph A2 above.
2. If OPM receives an application for a refund within 1 year of the date the agency's debt claim was received and the creditor agency indicates that interest accrues on the debt, when necessary, OPM will contact the creditor agency to confirm that the debt is outstanding and request submission in writing, of the total additional accrued interest. **OPM will not make interest computations for creditor agencies.**

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**Section 4A2.3-2 Refunds--Complete Debt Claims (Cont.)****C. Future Recovery  
(Cont.)**

3. When OPM receives an application for a refund more than 1 year after the creditor agency's debt claim was received, whether interest accrues or not, OPM will contact the creditor agency to see if the debt is still outstanding and, when necessary, request an update of the interest charges.

If the debt is still due, the creditor agency should give the debtor an opportunity to offer a satisfactory repayment plan instead of the offset if the debtor establishes that his or her changed financial circumstances, if any, would make the offset unjust. (See 4 CFR 102.4(c).)

If the agency decides to pursue the offset, it must submit to OPM the requested information and any new instructions within 60 days of the date of OPM's request or the claim may be voided and the balance paid to the individual.

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**Section 4A2.3-3 Annuities--Incomplete Debt Claims**

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**A. General**

If a creditor agency sends OPM a notice of debt or an incomplete debt claim against an annuitant, OPM will not offset the annuity. OPM will notify the creditor agency that the procedures described in this part and 4 CFR 102.4 must be completed and SF 2805 or other acceptable claim form must be completed and sent to OPM.

No time limit will be given for the submission of a debt claim against an annuity; however, a complete debt claim must be received within 10 years of the date the Government's right to collect first accrued. (See 4 CFR 102.3(b)(3).)

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**Section 4A2.3-4 Annuities--Complete Debt Claims**

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**A. General****1. Notice**

When OPM receives a complete debt claim and an application for annuity, OPM will:

- Offset the annuity;
- Pay the creditor agency; and
- Mail the debtor a copy of the debt claim along with notice of the payment to the creditor agency.

**2. Beginning Deductions**

- If OPM has already completed adjudication of the debtor's annuity payment, deductions will begin with the next available annuity payment.
- If OPM is in the process of adjudicating the application for annuity, deductions will not be taken from interim annuity payments, but will begin with the first regular annuity payment after adjudication has been completed.

**3. Updating Accrued Interest**

Once OPM has completed a collection, if there are additional accrued interest charges, the creditor agency must contact OPM regarding any additional amount due within 90 days of the date of the final payment.

**B. Claims Held for Future Recovery**

1. If OPM receives an application for annuity within 1 year of the date the agency's debt claim was received, the debt will be processed as stated in paragraph A of this section.
2. If OPM receives an application for annuity more than 1 year after the agency's debt claim was submitted:
  - OPM will contact the creditor agency to see if the debt is still outstanding.

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**Section 4A2.3-4 Annuities--Complete Debt Claims (Cont.)****B. Claims Held for  
Future Recovery  
(Cont.)**

- If the debt is still due, the creditor agency should permit the debtor to offer a satisfactory repayment plan in lieu of offset if the debtor establishes that his or her changed financial circumstances would make the offset unjust. (See 4 CFR 102.4(c).)
  - If the agency decides to pursue the offset, it must submit the requested information and any new instructions about the collection to OPM.
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**Subpart 4A2.4 Installment Withholdings****Section 4A2.4-1 Installment Withholdings**

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<b>A. General</b>	When possible, OPM will collect a creditor agency's claim in one payment from the debtor's refund or annuity.
<b>B. Rule</b>	If collection must be made from an annuity and the debt is large, the creditor agency must generally accept payment in installments. <b>The responsibility for establishing and notifying the debtor of the amount of the installments belongs to the creditor agency.</b> (See section 4A2.2-2, paragraph E).
<b>C. Limitation on Installment Withholdings</b>	<p>OPM will not make an installment deduction for more than 50 percent of net annuity, unless:</p> <ul style="list-style-type: none"><li>• A higher percentage is needed to satisfy a judgment against a debtor within 3 years; or</li><li>• The annuitant has consented to the higher amount in writing.</li></ul> <p>NOTE: All correspondence concerning installment deductions received by OPM will be referred to the creditor agency for consideration.</p>

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**Subpart 4A2.5 Special Processing for Fraud Claims****Section 4A2.5-1 Special Processing for Fraud Claims****A. General**

When an agency sends a claim indicating fraud, presentation of a false claim, misrepresentation by the debtor or any other party with an interest in the claim, or any claim based in whole or part on conduct violating the antitrust laws, to the Department of Justice (Justice) for possible treatment as a fraud claim (4 CFR 101.3), the following special procedures apply.

**B. Agency Processing**

If the debtor is separated or separates while Justice is reviewing the claim, the paying agency must send the SF 2806 or SF 3100 to OPM (see section 4A2.2-4, paragraph B). The agency where the claim arose must send OPM notice that a claim is pending with Justice. (See section 4A2.2-2, paragraph F, for instructions on giving OPM a notice of debt.)

**C. Department of Justice Processing**

1. The Attorney General or a designee will decide whether a debt claim sent in by an agency will be reserved for collection by Justice as a fraud claim. Upon receiving a possible fraud claim to be collected by offset from the Fund, the Attorney General or a designee must notify OPM. The notice to OPM must contain the following:
  - The name, date of birth, and Social Security number of the debtor;
  - The amount of the possible fraud claim, if known;
  - The basis of the possible fraud claim; and
  - A statement that the claim is being considered as a possible fraud claim, the collection of which is reserved to Justice.
2. When there is a pending refund application, the Attorney General or designee must:
  - File a complaint seeking a judgment on the claim and send a copy of the complaint to OPM;
  - Refer the claim to the agency where the claim arose and submit a copy of the referral to OPM within 180 days of the date of either the notice from the agency that a claim is pending with Justice (see paragraph B) or notice from Justice that it has received a possible fraud claim (see paragraph C1), whichever is earlier. (See 4 CFR 101.3.)

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**Section 4A2.5-1 Special Processing for Fraud Claims (Cont.)**

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| <b>D. Agency Processing of a Claim Returned by the Department of Justice</b> | <p>If the claim is returned to the agency where it arose for collection, the agency must:</p> <ul style="list-style-type: none"><li>• Begin administrative collection action in accordance with the provisions of 4 CFR 102.4; and</li><li>• Send an SF 2805 to OPM as required in section 4A2.2-2</li></ul> <hr/>  |
| <b>E. OPM Processing Against Refunds</b>                                     | <p>When OPM receives a notice described in paragraphs B or C1 above, it will take the following actions:</p> <ol style="list-style-type: none"><li>1. If the amount of the debt is known:<ul style="list-style-type: none"><li>• Notify the debtor it has received notice of a debt from the agency or the Department of Justice, as appropriate;</li><li>• Notify the debtor that the amount of the debt will be held for at least 180 days from the date of the agency's or the Department of Justice's notice; and</li><li>• Pay the balance, if any, to the debtor.</li></ul></li><li>2. If the amount of the debt is not known:<ul style="list-style-type: none"><li>• Notify the debtor it has received notice of a debt in an undetermined amount to be offset from his or her lump-sum credit; and</li><li>• Notify the debtor of the time limits for perfecting the Government's claim against his or her retirement benefits and the possible release of any balance that may be due as specified below.</li></ul></li><li>3. If the amount of the debt is not known when OPM is notified of the existence of the debt, OPM will not release any payment to the debtor until:<ul style="list-style-type: none"><li>• The amount of the debt is established by the agency or the Department of Justice; or</li><li>• There is a final decision in the court, if the Attorney General files a complaint and notifies OPM within the applicable 180-day period; or</li></ul></li></ol> |



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**Section 4A2.5-1 Special Processing for Fraud Claims (Cont.)****E. OPM Processing  
Against Refunds  
(Cont.)**

- 180 days after the date of the agency's or the Department of Justice's notice to OPM, if a complaint is not filed and Justice does not notify OPM that the claim has been referred back to the creditor agency for collection; or
- Within 120 days of OPM's notice to the creditor agency, if the Department of Justice notifies OPM that the claim has been returned to the creditor agency for collection.

NOTE: The agency may request one extension of time of not more than 60 days. (See section 4A2.3-1, paragraph B.)

**F. OPM Processing  
Against Annuities**

If the debtor has filed an annuity claim, OPM will not take action against the annuity. OPM will continue to pay the annuity unless and until there is a final judgment for the United States or submission of a complete debt claim.

**G. OPM Collection  
and Payment of  
the Debt**

1. If the United States obtains a judgment against the debtor for the amount of the debt or the creditor agency submits a complete debt claim, OPM will pay the debt to the creditor agency as provided in subpart 4A2.3 and 4A2.4.
  2. If the suit or the administrative proceeding results in a judgment for the debtor without establishing a debt to the United States, OPM will pay the balance of the refund to the debtor upon receipt of a certified copy of the judgment or administrative decision.
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